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NOTES AND COMMENTS.

FRANCE AND THE INCOME TAX.

THE question of an income tax is to the fore just now not in the United States only, for it is an exceedingly "live topic" in France also. It was an important plank in the Radical and Socialist platforms during the elections last summer for members of the Chamber of Deputies, and the conflicting views on this subject held by the different ministers of the Dupuy cabinet was the main cause of the parliamentary *coup-de-théâtre* which overturned that cabinet, and set up in December last the present Casimir-Périer ministry. And in his Declaration read before the Chamber and Senate, even the new President of the Council did not turn his back on the advocates of an income tax, since, in proposing changes in the French fiscal system, so much in need of reform, he expressed the hope that an impost might be levied by which "acquired wealth would be particularly reached."

An income tax of a certain kind, much resembling that which prevails in England, has not been unknown in France in the past, and is not unknown there to-day, though the spirit of the French *fisc* has, at least since the great Revolution, been always adverse to an income tax such as we have known in the United States.

As far back as 1296 the publican turned towards the income, and the taxpayer was required to take an oath on the Bible that his declaration was truthful. A similar impost was voted by the States General as early as 1355, and was reimposed at subsequent meetings of that body in succeeding years. After the wars of the Fronde, in the middle of the seventeenth century, the finances of the kingdom had fallen into such a lamentable condition that the king, in despair, looked for help in an income tax. One of the clauses of the proposed measure declared that all subjects who should make a false declaration would have their property confiscated. But the Duke of Orleans considered the project impracticable and it was abandoned. In 1710, however, a tax of this kind was imposed and collected, a quarter of the income being grasped by the state; and, as if foreseeing the advent, eighty years later, of the levelling spirit of the Revolution, nobles, clergy, and people were placed, by the royal decree which established this tax, on the same footing. But this action caused violent protests in the two first-named classes, which were carried to such excesses that St. Simon refers to the dispute as "a bloody affair." This tax was continued for several years. Under the old *regime*, however, the higher orders generally succeeded in pushing off the burdens of taxation on to the burgers and people, which is, doubtless, one of the hidden causes why modern France has never taken kindly to an income tax of the orthodox stamp.

M. Leroy-Beaulieu, one of the leading French political economists, says in his "*Traité de la Science des Finances*," when he speaks of the income tax:

"The difficulties in the way of its establishment are very great. They spring in part from our democratic conditions, political divisions, and administrative instability. Such a tax is more dangerous in a republic, where there is a tendency for government to fall into the hands of the working classes and their representatives, than in a monarchy, whether it be absolute or limited."

The reflection made in the last sentence is as applicable to the United States as to France, and explains why the French Conservatives of the past and the moderate Republicans of to-day hesitate to enter upon a line of legislation advocated by the "representatives" of "the working classes," as M. Leroy-Beaulieu well describes, without intending it, the Radical and Socialist Deputies of the present hour.

There is a strong strain of sentimentality running through French politics even to-day, and it was rampant in 1789. It shows itself especially in fiscal legislation. Thus, in the celebrated *Address to the French on the Payment of Taxes*,* issued by the revolutionary fathers in 1791, the word "*contribution*," instead of the word "*impôt*" of the ancient *régime*, is used throughout the document, for, we are told, while subjects support imposts, only a free people offer contributions to the public treasury. And several paragraphs of the address are devoted to an enumeration and condemnation of the various ways in which the tax-gatherers of the king used to violate "that holy law of domiciliary liberty." This feeling has repeatedly shown itself whenever the establishment of an income tax has been proposed in France. At such times the average Frenchman is disposed to make much the same reply as this of the Englishman who was testifying before a committee of inquiry on the income tax: "To go and ask somebody, 'What is your income?' is not the rôle of a gentleman." So every time a deputy has suggested empowering the tax-gatherer to put an important question of this kind, the proposal has always been received with great disapprobation. In 1871 Casimir-Périer, father of the present Prime Minister, said, in his report in the name of the Budget Committee, that the minority was opposed to the measure because "it saw therein the germ of a system of inquisition into private affairs, war between capital and labor, and progressive taxation"—the very ends sought for by the French Radicals and Socialists who are now demanding the establishment of an income tax.

The history of France shows that propositions of this kind are generally brought forward at moments of crisis and political instability. During the Republic of 1848 two Ministers of Finance proposed such a tax, but the propositions did not become laws. That arch-socialist, Proudhon, who was a member of the Constituent Assembly at this period, urged that all incomes from real and personal property be taxed one-third. Its collection was to be left to the diligence of tenants and debtors. Of course such a bill stirred up a tumult, and when the excited legislators came to a vote, only Proudhon and a single other member held up their hands in favor of the project.

Two or three times during the Second Empire an income tax of some description was talked of, but never put into effect, and when the National Assembly met at Bordeaux, after the Franco-German war, this same tax was expected to pay off the enormous sums needed at that time. A score of

* This address will be found in the appendix to a volume published by Guillaumin & Co., Paris, entitled *L'Impôt sur la Revenu*, by M. Yves Guyot, formerly Minister of Public Works. The author is one of the ablest of living French public men in all matters of political and social economy, and this volume is a very clear and concise account of income-tax legislation in France and other countries.

propositions of this nature were laid before the body during the next fifteen or twenty years, Gambetta even offering a panacea of this kind. The main purpose of them all was to exempt landed property, which, however, is well able to pay more, at the expense of personal property, and all were voted down. Every proposal to increase the land tax was also negatived. The upshot of all these debates was a slight augmentation of the tax on licenses, while an additional seven hundred millions of francs was secured by indirect taxation.

Another reason why a thoroughgoing income tax does not meet with much favor in France is due, perhaps, to the fact that an impost of this kind, resembling, at least, the one which prevails in England, does not differ materially from the four main French "direct contributions," which are a tax, not on any particular class of incomes, but on incomes in general. These consist of the land, house, and furniture tax, and the door and window tax. But the ratepayer is not subjected to an inquisitorial declaration of any kind. All leases have to be registered, and as the rent one pays is a pretty safe guide as to the amount of one's income, this figure is taken as the basis for the tax list of a large portion of the inhabitants of France. It may be called an indirect income tax.

The fiscal battle in France has always been and is still waged between the advocates of direct and indirect taxation. Under the ancient *régime* the States General favored direct taxation. Sully and Colbert, however, preferred the indirect system, because the privileged classes could thus be reached. With the exception of Norway, France is of all modern European states the one where the proportion of indirect taxes is the largest. In the time of Francis I. (1515-1547) fifty per cent. of the taxes were of an indirect nature. At the end of the reign of Louis XI., in 1483, the figure had been twenty-two per cent. But under Louis XIV. (1643-1715) there were years when 175 to 100 was the proportion between indirect and direct taxes. In Necker's budget, presented on the eve of the French Revolution, the figures stood at about 115 to 100. The National Assembly had an antipathy for a system which it considered undemocratic, and the order of the figures was soon reversed, direct taxation furnishing the larger sum to the nation's treasury. In the budget of 1791 the indirect taxes formed sixty-six per cent. of the whole amount, and it soon fell to fifty-one per cent. Under the Consulate it rose to ninety per cent. During the Restoration the proportion of indirect to direct taxes was as 143 to 100, about the same as in the time of Colbert. During the reign of Louis Philippe the figure was 173; during the Second Republic 168, and the average during the Second Empire was as high as 225. To-day, for every franc of direct, a Frenchman pays six in indirect taxes. It was indirect taxation which furnished nearly all the money necessary to pay Germany the war indemnity of \$1,600,000,000 in 1871.

Thiers was always an ardent supporter of indirect taxation. But, then, it was he who said that "political economy is a tiresome literature," and that "statistics is the art of being precise about what one knows nothing of." The late President Grévy, on the other hand, was opposed to this system, and as far back as 1849 voted against the re-establishment of the liquor tax, because he held that it was contrary to the principle of proportionality in matters of taxation. Thus have French statesmen long been divided on the merits and demerits of the two systems. But now that the republican form of government is firmly established in France and parties have the leisure to study economic questions more completely; now that

the country is becoming more and more democratic, and the Socialists are securing such a strong foothold in the chamber, indirect taxation, which falls so heavily on the poor, must sooner or later give way to increased direct taxation. In fact M. Casimir-Périer speaks out plainly in this sense in the Declaration already mentioned, and M. Yves Guyot, in the work which has been cited shows clearly that such a reform can be introduced with perfect justice to all concerned, since landed property is not paying its share. In this way the Moderate Republicans hope to checkmate the Radicals and Socialists, and postpone to a still more distant future the threatened enactment of an income tax, which has become a party cry, not so much for the purpose of putting money in the national treasury, as for extracting money from the purses of the rich *bourgeoisie*.

THEODORE STANTON.

RECENT IMPROVEMENTS IN PUBLIC LIBRARIES.

THERE are many portions of this country where the free public library is still unknown, and where its value as an educational factor is not as yet appreciated. During the past few years, however, a new impetus has been given to the movement, so that to-day it may with truth be said that in its new life the free public library is passing through very much the same phases of its existence as did the free public school, which for many years received its sole support from a very small section of the country. The benefit to be derived from a collection of books open to the free use of the public is being more widely appreciated, and its introduction to localities to which it has heretofore been a stranger must necessarily follow. The intelligent teachers of the present day are among the strongest supporters of the free public library, having the opportunities to see the great advantages which the pupils under their charge enjoy in the free use of a library of well-selected books. The very best results in education will be found in that town where the librarian is enthusiastic in his efforts to supply the needs of the school superintendent in carrying out his desires of instilling in the minds of his pupils that habit of reading which tends to make their studies tenfold more beneficial. This coöperation between these two men charged with the education of the young results not only in forming a habit of reading, but in teaching a pupil to think and investigate for himself.

I am led to write these lines on the free public libraries by reason of the fact that after reading a paper on the subject last summer before an audience composed largely of teachers, I was surrounded by many who, coming from those sections where free public libraries are still institutions of the future, were greatly surprised to learn of the very important part which libraries are playing in educational life elsewhere. Their crude ideas of the use of a public library, as well as the duties of a librarian, find their best expression perhaps in the following extract from an address delivered by the late James Russell Lowell. He pictured to his hearers the inefficient, if not almost useless, librarian when he said: "Formerly the duty of a librarian was considered too much that of a watch dog to keep people as much as possible away from the books, and to hand these over to his successor as little worn by use as he could." Then follows a picture of the enthusiastic and progressive librarian of the present day, in these significant words: "Librarians now, it is pleasant to see, have a different notion of